

## § 1655.17

(f) The interest rate on a reamortized loan will be the same as the interest rate on the original loan.

[55 FR 979, Jan. 10, 1990, as amended at 61 FR 58757, Nov. 18, 1996]

### § 1655.17 Prepayment.

(a) A participant may prepay a loan in full at any time before the declaration of a distribution under § 1655.13 unless a separated participant has signed a statement that he or she does not intend to prepay. Partial prepayments are not permitted. Prepayment in full means receipt by the recordkeeper of payment of all principal and interest due in the form of a certified or cashier's check, a certified or treasurer's draft from a credit union, or a money order.

(b) If a participant returns a loan check to the recordkeeper in order to repay his or her loan, it will be treated as a prepayment in full. However, additional interest may be owed.

[55 FR 979, Jan. 10, 1990, as amended at 61 FR 58757, Nov. 18, 1996]

### § 1655.18 Spousal rights.

(a) Within seven calendar days of a CSRS participant's loan application process date, the recordkeeper will send a notice to the participant's current spouse that the participant has applied for a loan.

(b) As a condition for approval of the Loan Agreement/Promissory Note for a FERS participant, the participant must provide the recordkeeper with any evidence the Board requires to demonstrate that the current spouse has consented to the loan for which the participant has applied.

(c) A CSRS participant may obtain a waiver of the spousal requirement described in paragraph (a) of this section if the participant establishes, to the satisfaction of the Executive Director, that the spouse's whereabouts are unknown.

(d) A FERS participant may obtain a waiver of the spousal requirement described in paragraph (b) of this section if the participant establishes, to the satisfaction of the Executive Director that:

(1) The spouse's whereabouts are unknown; or

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(2) Exceptional circumstances prevent the obtaining of consent.

(e) The procedures for obtaining an exception to the spousal requirements (including the definition of exceptional circumstances) described in paragraphs (c) and (d) of this section will be the same as the procedures described in 5 CFR part 1650.

[61 FR 58757, Nov. 18, 1996]

### § 1655.19 Court orders.

Upon receipt of a document that purports to be a qualifying retirement benefits court order or qualifying legal process relating to a participant's legal obligations to provide child support or make alimony payments, the participant's TSP account will be frozen. After the account is frozen, no loan will be allowed until the account is unfrozen. The Board's procedures for processing retirement benefits court orders and legal processes are explained in 5 CFR part 1653.

[61 FR 58757, Nov. 18, 1996]

### § 1655.20 Loans for the purchase of a primary residence.

(a) A loan for the purchase of a primary residence will be made only for the purchase of the primary residence of the participant or the participant and his or her spouse and for related purchase costs. The participant must actually bear all or part of the cost of the purchase of the primary residence. If the participant purchases a primary residence with someone other than his or her spouse, only the portion of the purchase costs that are borne by the participant will be considered in making the loan. A loan for the purchase of a primary residence will not be made for the purpose of paying off an existing mortgage or otherwise providing financing for an existing primary residence purchased more than 2 years earlier.

(b) A primary residence must be used by the participant as his or her principal residence. A primary residence does not include a second home or vacation home. A participant cannot have more than one primary residence. A primary residence may include a